

For Nebraska State and County Employees

# RETIREMENT NEWS

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS | JULY 2020

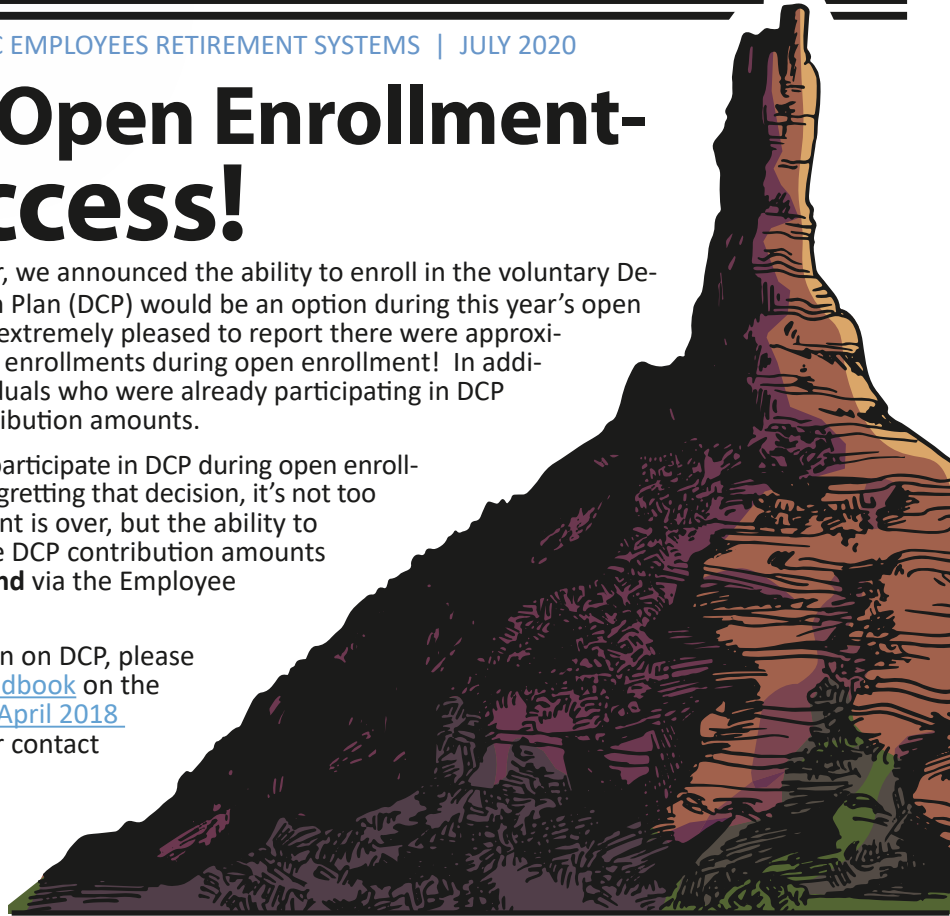
## DCP & Open Enrollment- A Success!

In our last newsletter, we announced the ability to enroll in the voluntary Deferred Compensation Plan (DCP) would be an option during this year's open enrollment. We are extremely pleased to report there were approximately 600 new DCP enrollments during open enrollment! In addition, over 400 individuals who were already participating in DCP increased their contribution amounts.

If you opted to NOT participate in DCP during open enrollment and are now regretting that decision, it's not too late! Open enrollment is over, but the ability to enroll and/or change DCP contribution amounts is available **year round** via the Employee Work Center.

For more information on DCP, please refer to the [DCP handbook](#) on the NPERS website, the [April 2018 Retirement News](#), or contact NPERS at 800-245-5712 or 402-471-2053.

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## State & County Cash Balance Dividend

At the June 15 board meeting, the Public Employees Retirement Board (PERB) approved a dividend for eligible members of the State and County Cash Balance retirement plans.

Each year an actuarial study is conducted to ascertain the funded status of the Cash Balance plans. The 2019 actuarial reports for the plans were presented at the May 18 PERB meeting. These reports found both plans sufficiently funded to allow the PERB to grant a dividend. After reviewing the actuarial reports and discussion with the plan actuary, the PERB voted to grant a 3.00% dividend for State and County Cash Balance members.

The dividend will be based upon the member's Cash Balance account balance as of December 31, 2019. It will be credited to eligible Cash Balance member accounts by September 30, or as soon as administratively possible. The amount of the dividend will be included in the "earnings" on the third quarter account statements.

All dividends must conform to the requirements stipulated in state statute and board policy. The plan must be 100% actuarially funded before and after the valuation date of the report. The actuarial reports are published on the Publications page of the NPERS website for members who wish to review the content.

# Another Reminder... If You Enroll: The “To Do” List

If this is your *initial* enrollment in DCP, there are two more steps to take.

## STEP ONE: DESIGNATE BENEFICIARIES

Your beneficiary is the person (or persons) who will receive any funds remaining in your DCP account upon your death. Beneficiaries designated for the mandatory retirement and beneficiaries named during open enrollment do NOT apply to DCP accounts! You may designate beneficiaries using the [NPERS Beneficiary Designation form](#) on the NPERS website.

If a DCP participant does not submit a Beneficiary form for the DCP account, death benefits will be paid to the spouse married to the member on the member’s date of death. If there is no designated beneficiary or eligible spouse, death benefits are issued to the member’s estate.

## STEP TWO: CHOOSE YOUR INVESTMENTS

At initial enrollment, contributions to DCP will be placed in the default investment option until the member selects their desired investments. Please note these options

have been updated by the Nebraska Investment Council. Information on the updates to the investment options will be provided in these newsletters.

NPERS recommends using the Ameritas Online Access to choose investments. If you have already created an Ameritas account for your mandatory retirement, your new DCP account will be added to your existing login credentials once Ameritas receives enrollment data from NPERS. If you have not created an online account, Ameritas will mail correspondence containing the information (personal certificate #) you will need to create an online account. When you receive your letter from Ameritas, please register your online account as soon as possible. Registering and activating the multifactor security helps protect you from fraudulent activity.

Remember, when participating in DCP, it is your responsibility to determine your retirement goals and select an investment strategy that works for you. Please refer to the companion articles in this newsletter for more information on the DCP investment options.

# DCP Investing Assistance

<b>NPERS</b>	<h3>Financial Facts</h3> <h3>Seminars</h3> <p>NPERS's one-day seminars are an excellent way to begin planning for an important time in your life. Seminars are presented across the state for School, State, and County employees. Information is provided on your pension plan, financial planning, social security benefits, adjusting to retirement and estate planning. Enrollment brochures are mailed to all eligible members four weeks prior to the seminar. <a href="#">Seminar Info &amp; Schedules</a></p> <h3>Videos</h3> <p>Investment Education Video - State, County, DROP &amp; DCP To further help Defined Contribution, Deferred Compensation, and State Patrol DROP Plan members make informed investment decisions, NPERS offers an Investment Education video. This video covers the investment options and provides an outline on the basics of investing.</p>
Create Your Account	
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If you elect to participate in the voluntary Deferred Compensation Plan (DCP), you need to determine how you want your contributions invested. Unlike the mandatory Cash Balance plan, DCP does not provide a guaranteed rate of return. Your DCP account will *increase or decrease* in value depending on the investment options selected and market performance.

At initial enrollment, DCP contributions are placed in the default investment option until you make investment elections. This default option may, or may not be the option you desire depending on your risk tolerance, age, and investment goals. Your mission is to research the investment options, and choose the ones you deem best for your DCP account. If you take the time to educate yourself on the basic principles of investing and the investment options, you will have a much better chance of avoiding the mistakes often made by amateur investors.

NPERS cannot provide individual investment advice, but we do offer a variety of investment tools to help participants make their own investment decisions. We encourage you to begin this journey with a visit to the [“Financial Facts”](#) page on the NPERS website. This page is designed as a one-stop access to all the various retirement and financial planning educational materials created by NPERS.

**COMING SOON –  
UPDATED INVESTMENT CHOICES**

As mentioned in this newsletter (and the [April 2020 Retirement News](#)), the Nebraska Investment Council (NIC) is in the process of updating the current 13 investment options used for DCP. Upcoming newsletters and the next Annual Investment Report will contain more information as the NIC provides us with material on the new funds.

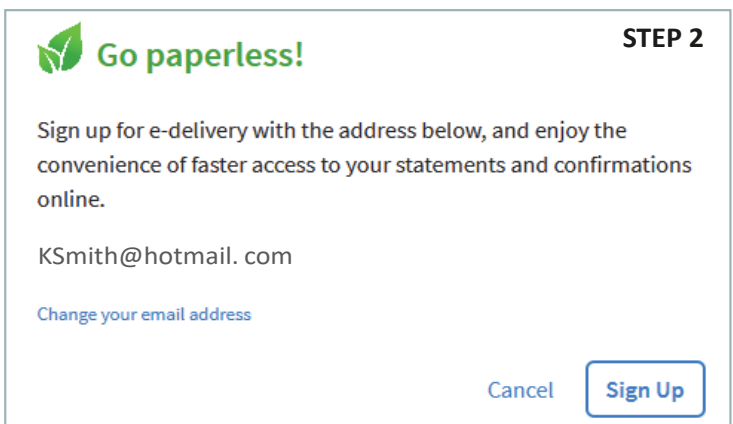
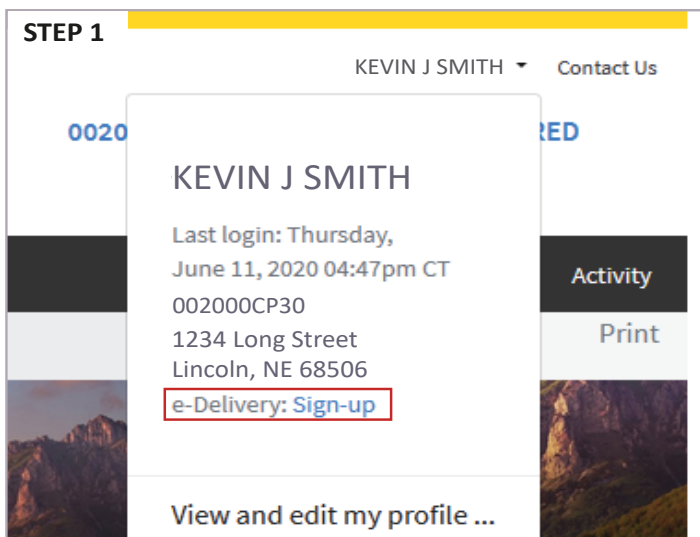
The quickest way to make investment changes for DCP accounts is via the Ameritas Online account access. Changes may be submitted using a form, but paper submissions may take up to three business days to process *after we have received the form*. Investment allocations and transfers made using the Ameritas Online access are automatically processed at the end of the market day. In addition, the online access provides a wealth of information on your account, including investment performance for specific time frames using the Online Statements link found in the Plan Documents drop down.

# Go Green With e-Delivery

Individuals who have created an Ameritas online account have the option to receive confirmation notices and quarterly account statement notifications via email. This is the quickest and most convenient way to get these documents, it allows you to avoid the quarterly mailing fees, and it's environmentally friendly!

To sign up for e-Delivery, if you do not have Ameritas online access, the first step is creating an account. If you are a new retirement plan participant or recently enrolled in the voluntary Deferred Compensation Plan (DCP), you will be sent correspondence from Ameritas on creating your account. If you do not have this letter, you may access instructions by clicking on the blue "Ameritas Online Account Access" button found on the NPERS website homepage. Then click on the "New users" link for assistance on creating a new account.

Once you have an online account, login to your Ameritas access. If you are participating in the mandatory plan and DCP, you will need to select the account you wish to open from the "Summary of Accounts" page. You will see your name at the top right corner of the screen. When you click on it, a box will appear with your address and eDelivery status. Click on the "Sign-up" link text.



A pop-up box will appear... You can then enroll in e-delivery and enter (or change) your email from this screen.

# Two New Investment Options

As reported in previous newsletters, the Nebraska Investment Council (NIC) has updated the investment options for the State and County Defined Contribution Plans, the voluntary Deferred Compensation Plan, and the State Patrol DROP program.

NPERS will be running articles in the upcoming October newsletter explaining the new US Core Plus Bond fund, the revisions to the International Stock Index fund, and the transfer process that will take place in January 2021. Please refer to the April 2020 newsletter for a listing of all the new funds and an article on the new LifePath funds.

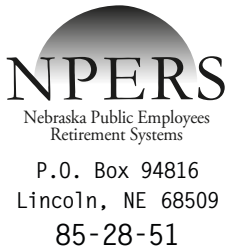
This article will cover the US Total Stock Market Index Fund and the Global Equity Fund. Both of these new investment options are comprised primarily of stocks. These types of funds generally have greater market volatility than fixed income funds, but they have the potential for higher returns over the long term.

### THE US TOTAL STOCK MARKET INDEX FUND

The U.S. Total Stock Market Index Fund shall be invested primarily in stocks with the objective of providing a return as close as possible to the return of the entire U.S. market for publicly traded stocks. The fund offers exposure to the broad U.S. stock market including large-cap, mid-cap, and small-cap stocks. This differs from the S&P 500 Index Fund which focuses on large-cap stocks. Contributions to the U.S. Total Stock Market Index Fund investment option are invested in the Blackrock U.S. Equity Market Fund. Blackrock uses a passive or indexing approach to try to achieve the fund's investment objective.

### GLOBAL EQUITY FUND

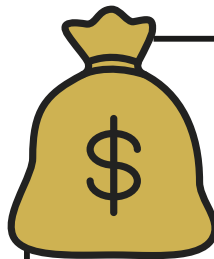
The Global Equity Fund invests in stocks of companies located around the world, including the U.S. The fund seeks opportunities that have the potential for above-average earnings and focuses primarily on large-cap stocks. Since the fund does invest in foreign companies, the fund may be affected by currency values and economic or political events outside of the U.S. Contributions to the Global Equity Fund investment option are invested in the T.Rowe Price Global Growth Stock Fund, which is an actively managed fund. Active managers seek to produce better returns than the market.



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## **CASH BALANCE RATE**

For the quarter beginning July 1st, 2020, the rate of return for Cash Balance participants is 5%.

The current and historical Cash Balance rates of return are available via the "Cash Balance Rates of Return & Dividends" link on our website.